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Library Purchasing Consortia in the UK

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The distribution of library purchasing consortia across the United Kingdom is uneven and sector-dependent.¹ Only higher education libraries show a well developed regional infrastructure of purchasing consortia covering virtually all eligible libraries.

Public library purchasing consortia exhibit much diversity in size and coverage. The sector is an area of growth in consortial activity, prompted by local government reorganisation, which assigned library functions to unitary authorities, and supported by the well developed purchasing framework within local authorities.

In the health sector there is a strong culture of informal networking as well as purchasing of services that has achieved a good measure of collaboration at local level. National purchasing initiatives are also evident; networked information initiatives, such as NHSNet and the developing national electronic library for health, are already having a significant impact.

While there are clear sectoral disparities amongst the library purchasing consortia surveyed, the size of consortium expenditure seems to determine whether procurement professionals are involved. Thus in those whose spend consistently exceeds European Commission guidelines' thresholds, the involvement of purchasing professionals is much more likely, and also crucial to the successful navigation of such procedures.

The most active and structured participation by procurement staff in library purchasing consortia occurs in higher education. Even where the library consortium is constituted separately from the general institutional purchasing consortium, the contribution of procurement professionals to library working groups is reported unanimously as bringing improved accountability and negotiating skills, and stronger management and evaluation of suppliers.

The chief mechanism for meeting the diverse needs of individual libraries within a consortium is a combination of framework and bilateral agreements. Consortia will typically negotiate a collective framework agreement with one or more suppliers. Individual libraries, as members of the consortium, will then make bilateral arrangements with these suppliers within the terms of the general framework agreement. The result is a standard agreement that can be tailored to the needs of individual libraries.

Tendering and contract management form the heart of the procurement process. It is here that the involvement of procurement professionals is most valuable. Fundamental to the tender is the specification of the goods and services to be provided. Discussions are currently taking place to develop standard benchmarks to measure suppliers' performance against specifications and to identify performance targets for inclusion in future specifications.

Contracts are mainly for books, periodicals, electronic journals (which may be included with periodicals subscriptions) and library management systems. Supply of audio-visual resources is the subject of consortial agreements by some public library consortia, whilst CD-ROM materials are supplied to one HE grouping.

All higher education consortia report a basic contract period of three years, most with options of renewal for a further two years. Amongst health libraries by contrast annual contracts prevail in the majority of consortia, although one reports a five-year contract in company with two public library consortia. Two public libraries report contracts of one and two years' duration respectively, with renewal options also present in the sector.

Savings on expenditure made possible by consortial agreements differ. The product mix of books and periodicals required varies between library sectors: thus the large volume mass market paperbacks offered by UK publishers, whose multiple purchase might be attractive to public library consortia, would not be suitable for academic libraries.

Most library consortia seem to command a minimum 20% discount on UK-published books, resulting in an actual saving of 11% of the NBA price. Public libraries are well placed in the type of materials required to benefit from the cost savings involved in domestically produced, mass market high print run titles. The extra purchasing clout attainable by collaborative book acquisition through consortia has yielded discounts of 30% by book suppliers to selected consortia, a level said by some in the book trade to be dangerously close to unviable.

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One area of current contention is the offering of split discount levels by book suppliers: a supplier will offer a headline discount on items where they receive a certain level of discount from the publisher; other items are supplied at no discount or are surcharged. Consortia dislike this approach: it is very difficult to monitor; a tendency has been observed of not reaching the average levels of discount, across all items, indicated at the tender stage by suppliers.

Periodicals supply also operates according to established patterns, but pressures on periodicals suppliers are reducing discounts on offer to libraries. Here again there is strong market segmentation, with periodicals expenditure noticeably not included in existing public library consortium contracts. Typical discount levels lie in the region of 1-1½%.

Certain estimates of savings in books and periodicals may be made, based on the levels cited above for the range of materials ordered by consortia and reported expenditure patterns. For the purposes of these (conservative) estimates, account has been taken of the different types and provenance of monograph material to arrive at the indicative across-the-board discounts below.

<i>Library sector</i>	<i>Books Expenditure</i>	<i>Discount on NBA Price</i>	<i>Savings</i>
Indicative HE library consortia expenditure	£31,124,984	9%	£2,801,249
Indicative public library consortium expenditure	£14,567,310	17%	£2,476,442
<i>Total</i>			£5,277,691
<i>Library sector</i>	<i>Periodicals</i>	<i>Discount</i>	<i>Savings</i>
Indicative HE library consortia expenditure	£32,600,072	2%	£652,001
Indicative NHS library consortia expenditure	£1,421,065	1.5%	£21,316
<i>Total</i>			£673,317

Current areas of activity and discussion are:

- Benchmarking suppliers' performance;
- Split discounts for book contracts;
- Experiments with models for purchase of electronic materials (e.g. by the Southern Universities Purchasing Consortium);
- Relationship of national and regional initiatives;
- Proliferation of public library consortia.

A system of national consortium purchasing has recently been developed amongst the UK's higher education institutions. ('Higher education' in the UK means education courses leading to a degree or diploma.) It is organised on a nationwide basis by the Joint Information Systems Committee (JISC) of the UK government agencies that fund higher education. The programme is called the Distributed National Electronic Resource (DNER), and within the DNER there are various initiatives, one of which is NESLI.

NESLI is the National Electronic Site Licence Initiative set up by JISC, the Joint Information Systems Committee, on behalf of university libraries in the UK for the purchase of electronic copies of academic journals. NESLI is a national initiative to secure better value for UK academic libraries in the purchase of journal subscriptions. It developed from an earlier scheme, the 'Pilot Site Licence Initiative', whose aim was purely financial, to achieve lower prices for journal subscriptions. The aim of NESLI is partly financial but also cultural. NESLI offers higher education institutions the opportunity to make a cultural shift towards electronic information provision in a cost-effective way. NESLI's objective is still partly financial, in that no cultural shift will be possible unless libraries can be offered prices for electronic access which they can afford, particularly during any period of dual provision of paper and electronic versions. NESLI is also different from the Pilot Site Licence Initiative in that NESLI is a long-term initiative. Pilot Site Licence Initiative was very valuable, both financially and as experience in negotiating and administering a national licence, but it was only a three-year initiative and the time came to move on from a „pilot“ into the kind of long-term arrangement higher education institutions need. That need is defined in NESLI as being for electronic access to academic journals. We all have our own views about the speed of transition from paper to electronic that is possible or desirable, but there is a consensus that a high proportion of access to journal literature in the future will be electronic, even if paper continues to be the medium of publication for a certain proportion of journals. Many of the deals being

negotiated for NESLI are for both paper and electronic subscriptions, but this is seen as part of a transition to electronic-only.

NESLI is a loose consortium: once terms have been negotiated with a publisher, any university may accept them. Participation in any particular deal is voluntary, not compulsory. The negotiation is done by a Managing Agent, appointed by the government agency (JISC) but acting on behalf of all government-funded universities. As far as possible, all deals are based on a standard (model) licence for the delivery of material. It also happens that the Managing Agent itself is a partnership between a commercial journal subscription business (which does the negotiations) and a university computing centre (which organises access to the electronic journals). The Managing Agent is funded by a small percentage of the discount negotiated in the various deals that are marketed.

REFERENCES

- 1 This article derives from a survey undertaken for a British Library Research and Innovation Centre/Library and Information Commission-funded research project (RIC/G/403 published as: Jo Pye and David Ball, *Library purchasing consortia in the UK: activity, benefits and good practice*, Library and Information Commission research report, 16, (Bruton: Capital Planning Information, 1999), ISBN 1 898869 56 1). The survey is supplemented by information provided at seminars held for all UK consortia in July 1998, March 1999 and October 2000. The Report contains a full list of consortia active at the time; supplemental information may be obtained from David Ball (dball@bournemouth.ac.uk).